

Message Text

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73

ACTION PM-03

INFO OCT-01 ARA-10 ISO-00 AID-05 IGA-01 EB-03 COME-00 MC-02

L-02 CIAE-00 INR-10 NSAE-00 RSC-01 SS-14 OMB-01

TRSE-00 DRC-01 /054 W
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R 072112Z OCT 74

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 4446

INFO SECDEFENSE WASHDC

UNCLAS LA PAZ 6496

E.O. 11652: N/A

TAGS: MASS, BL

SUBJ: FMS CREDIT FUNDING FOR BAF CONVAIR AIRCRAFT

REF: A) STATE 217831; B) MILGPMMSG 121839 SEPT 1974

1. FIVE CONVAIR 580 AIRCRAFT WHICH GOB DESIRES PURCHASE WITH FY74 FMS CREDIT WILL BE USED BY BOLIVIAN AIR FORCE TO SUPPORT GOB NATIONAL PRIORITIES AND TO ACT AS CATALYST IN THE OPENING AND ECONOMIC DEVELOPMENT OF OUTLYING AREAS OF THE COUNTRY. CONVAIRS WILL BE USED PRIMARILY FOR FOLLOWING MILITARY PURPOSES: SUPPORT BOLIVIAN ARMY, ASSIST IN TRAINING PARATROOPERS, MOVEMENT OF TROOPS, AIRLIFT OF MILITARY CARGO, PARTICIPATION IN JOINT EXERCISES AND MEDICAL EVACUATIONS. IN ADDITION, AIRCRAFT WILL BE USED IN VARIOUS CIVIC ACTION PROJECTS WHICH ARE DIRECTED AND CONDUCTED BY THE BOLIVIAN MILITARY FORCES THROUGHOUT COUNTRY.

2. WHILE IT IS ESTIMATED THESE CONVAIRS WILL BE USED APPROXIMATELY TEN PERCENT OF THE TIME IN COMMERCIAL OPERATIONS, THEY WILL NOT REPEAT NOT COMPETE WITH COMMERCIAL CARRIERS. AS THE HOST COUNTRY AIR FORCE DOES NOT RECEIVE SUFFICIENT FUNDS FROM THE GOVERNMENT TO COVER OPERATING EXPENSES, IT IS NECESSARY TO CHARGE UNCLASSIFIED

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SMALL FEE TO CARRY PASSENGERS AND CARGO. THIS REVENUE

BECOMES PART OF THE CENTRAL AF FUND TO SUPPORT MAINTENANCE, TRAINING AND OPERATIONS. THE BAF DOES NOT HAVE AUTHORITY, BY LAW, TO OPERATE IN COMMERCIALLY PROFITABLE AREAS AND MUST TERMINATE ITS SERVICES IN ANY AREA WHEN IT BECOMES ECONOMICALLY VIABLE FOR COMMERCIAL CARRIER OPERATIONS.

3. BASED ON PAST EXPERIENCE, IT IS ASSUMED THAT THE SUBJECT AIRCRAFT WILL REMAIN IN THE BAF INVENTORY INDEFINITELY.

4. PARA 1, REF B, WAS WRITTEN TO INFORM ALL ADDRESSEES THAT ON SEPT 9 THE GOB REQUESTED USMILGP BOLIVIA TO USE WHATEVER MEANS AVAILABLE TO COORDINATE AND TO EXPEDITE APPROVAL OF FMS CREDIT TO BUY CONVAIR 580S. WE FULLY REALIZE THAT THE USAF IS NOT SERVING AS CONTRACTING AGENT ON THIS TRANSACTION; HOWEVER, ACCORDING TO THE TERMS OF THE FMS CREDIT CONTRACT, DOD DOES HAVE FINAL APPROVING AUTHORITY.
STEDMAN

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Disposition History: n/a
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30 JUN 2005

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